

**REPORT
ON THE
LIMITED AUDIT**

**COUNTY OF SAN LUIS OBISPO
HEALTH AGENCY
SAN LUIS OBISPO, CALIFORNIA**

**PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM
CDC FUNDING GRANT AGREEMENT
FISCAL PERIOD
AUGUST 31, 2005 THROUGH AUGUST 30, 2006**

**Audits Section – Fresno
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Michael Harrold
Auditor: Jaskaranjit Bal**



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

DEC 09 2009

Jeff Hamm, Director
County of San Luis Obispo
Health Agency
P.O. Box 1489
2191 Johnson Avenue
San Luis Obispo, CA 93401

Dear Mr. Hamm:

The claims for expenditures for services provided by San Luis Obispo Health Agency, under the Public Health Emergency Preparedness Program, Center for Disease Control and Prevention grant for the fiscal period of August 31, 2005 through August 30, 2006 have been audited by the Financial Audits Branch of the Department of Health Care Services. In addition, a review was made of the program's management and operational procedures.

Except as set forth in the following paragraph, our audit was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our audit included such tests of the accounting records and other audit procedures, as we considered necessary under the circumstances.

The financial statements of San Luis Obispo County for the fiscal year ended June 30, 2006, were examined by other auditors whose report dated October 5, 2006, expressed an unqualified opinion on those statements.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

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As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, no financial statements are presented.

The program audit was conducted during the months of August 2008 through July 2009. The exit conference was held on September 8, 2009 at which time the results of the engagement were discussed.

This Audit Report includes the:

1. Executive Summary of Findings
2. Fiscal Findings
3. Financial Schedules

The report concludes that \$24,129 is due the Federal government. You will be receiving an invoice in that amount from the Department's Accounting Section.

Emergency Preparedness Office may require a corrective action plan in response to the findings in this report. If so, please develop and submit a corrective action plan within ninety (90) days of receipt of this letter to:

Patty Call
Contract Manager
Planning and Policy Unit
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P. O. Box 997413, MS 7002
Sacramento, CA 95899-7413

If you disagree with the amount due, you may appeal by writing to:

Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
MS 0017
Sacramento, CA 95814


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This written notice of disagreement must be received by the Department within sixty (60) calendar days from the day you receive this letter. A copy of this notice should be sent to:

<u>United States Postal Service (USPS)</u>	<u>Courier (UPS, FedEx, etc.)</u>
Assistant Chief Counsel	Assistant Chief Counsel
Department of Health Care Services	Department of Health Care Services
Office of Legal Services	Office of Legal Services
MS 0010	MS 0010
P. O. Box 997413	1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95899-7413	Sacramento, CA 95814-5005

The procedures that govern this hearing are contained in Welfare and Institutions Code, Section 14171, and Title 22 California Code of Regulations, Section 51016, et seq.

If you should have any further question, please contact Patty Call, Contract Manager, at (916) 650-6456.


Michael A. Harrold, Chief
Audits Section – Fresno
Financial Audits Branch

Certified

cc: Betsey Lyman
Deputy Director
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P. O. Box 997413, MS 7002
Sacramento, CA 95899-7413

Susan Fanelli
Assistant Deputy Director
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
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cc: Patty Call
Contract Manager
Planning and Policy Unit
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Michelle Shoresman, MPA
Bioterrorism Program Manager II
Public Health Department
San Luis Obispo County
2180 Johnson Avenue
San Luis Obispo, CA 93406

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**COUNTY OF SAN LUIS OBISPO
HEALTH AGENCY
PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM
CDC FUNDING GRANT AGREEMENT
AUGUST 31, 2005 THROUGH AUGUST 30, 2006**

I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

GRANT COMPLIANCE

Our report does not include an evaluation of the County's progress toward achieving the CDC Preparedness goals and objectives other than to note that the County submitted the reports required to document their activities related to the grant award. These reports are monitored by EPO or the Federal CDC.

FISCAL FINDINGS

1. The County requested a total of \$822,485 of federal funds for the period and had expenditures totaling \$539,701. The unexpended federal program funds totaled \$282,784 as of August 30, 2006, representing 34% of the federal funds awarded. (See Section V. A)
2. The County requested a carryover for \$356,065 consisting of 2005-2006 unspent funds \$282,784 plus 2004-2005 unspent funds of \$73,281. The carryover request was approved by the EPO on August 30, 2007. At the end of fiscal period 2006-2007, \$258,248 of the carryover funds remained unspent. (See Section V. B)
3. The County did not meet requirements to deposit the grant funds in a special local public health preparedness trust fund established exclusively for emergency preparedness. (See Section V. C)
4. The agreement requires that the County not use the CDC funds to supplant existing levels of services in the County. During the course of our review, we detected situations in which funds from this agreement were used to fund other programs for which a recovery is proposed. (See Section V. D).
5. The County claimed salaries and benefits for personnel not approved in the agreement for which a recovery is proposed. (See Section V. F1)
6. The County did not have prior written approval from EPO for lodging, meal, and mileage rates that exceeded Department of Personnel Administration (DPA). (See Section V. F2)
7. The County claimed CDC lab expenses on the CDC base line item, for which a reclassification was made for proper statement of expenses. (See Section V. F4)

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8. The County used current grant funds for other programs. (See V. F6)
9. The County over claimed indirect costs per budget justification. (See Section V. F7)
10. The County claimed expenses related to the next fiscal period 2006-2007 for which a recovery is proposed: (See Section V. F5)

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II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Public Health Emergency Preparedness Program is funded by the Federal Center for Disease Control and Prevention under the authority of 42 U.S.C. 247d-3. The purpose of this program is to upgrade and integrate State and local public health jurisdictions' preparedness for and response to bioterrorism and other public health emergencies with Federal, State, local and tribal governments, the private sector, and Non-Governmental Organizations. These emergency preparedness and response efforts are intended to support the National Response Plan and the National Incident Management System.

B. DESCRIPTION OF AGENCY

San Luis Obispo Public Health Department is a local governmental agency, which is a part of the County of San Luis Obispo government.

The mission of San Luis Obispo Public Health Department is to improve and maintain community health by identifying health issues, preventing disease and injury, influencing policy development, and promoting healthy behaviors through leadership, collaborative partnerships, education, direct services, surveillance, case management and payment for eligible indigent medical care.

San Luis Obispo Public Health Department, aka Local Health Department (LHD), has a Public Health Emergency Preparedness Program grant agreement with the California Department of Public Health (CDPH), to receive CDC base funding, Level B Reference Laboratory, and State Pandemic Influenza funding.

C. SITE LOCATIONS

The County of San Luis Obispo Public Health department has administrative offices located at 2191 Johnson Avenue, San Luis Obispo, CA 93401 that consist of the following divisions:

- Communicable Disease Control and Prevention
- Community Health Services
- Environmental Health Services
- Family Health Services
- Women, Infant, and Children (WIC) Program
- Low Income Medical care and Other Public Health Issues and Resources

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The Clinics are located at the following locations throughout the County:

Atascadero Office
5575 Capistrano
Atascadero, CA 93422

Morro Bay Office
760 Morro Bay Boulevard
Morro bay, CA 93442

Grover Beach Office
286 South 16th Street
Grover Beach, CA 93433

Paso Robles Office
723 Walnut Street
Paso Robles, CA 93446

D. FUNDING SOURCES

The following is a summary of the County of San Luis Obispo's expenditures of federal awards for the fiscal year ended June 30, 2006.

	Expenditures
U.S. Department of Agriculture	\$ 12,057,669
U.S. Department of Commerce	\$ 132,304
U.S. Department of Housing and Urban Development	\$ 4,624,692
U.S. Department of Interior	\$ 623,791
U.S. Department of Justice	\$ 1,017,881
U.S. Department of Transportation	\$ 7,433,067
National Foundation on the Arts and Humanities	\$ (6,000)
U.S. Department of Education	\$ 725,410
U.S. Department of Health and Human Services	\$ 44,633,222
U.S. Department of Homeland Security	\$ 1,904,010
Total Expenditures of Federal Awards	\$ 73,146,046

Public Health Emergency Preparedness Grant Funding

Public Health Emergency Preparedness Program funding awarded for the project period, August 31, 2005 through August 30, 2006, totaled \$822,485.

• Federal CDC Emergency Preparedness Allocation	
Center for Disease Control Base Allocation	\$ 360,639
Reference Laboratory and Trainee Allocation	461,846
Total	<u>\$ 822,485</u>

E. GRANT GOALS AND OBJECTIVES

The CDC has developed Preparedness Goals designed to measure urgent

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public health system response performance parameters that are directly linked to protection of the public health.

The Goals are intended to measure urgent public health system response performance for terrorism and non-terrorism events including infectious disease, environmental and occupation related emergencies. The primary intent of this cooperative agreement is to fund the active participation in and awareness of the immediate establishment, use, and continuous improvement of a national system using the CDC Preparedness Goals to measure public health system response performance.

The CDC Preparedness Goals the County of San Luis Obispo is granted to meet are:

CDC Preparedness Goal 1: PREVENT

Increase the use and development of interventions known to prevent human illness from chemical, biological, radiological agents, and naturally occurring health threats.

CDC Preparedness Goal 2: PREVENT

Decrease the time needed to classify health events as terrorism or naturally occurring in partnership with other agencies.

CDC Preparedness Goal 4: DETECT/REPORT

Improve the timeliness and accuracy of information obtained from routine surveillance and where applicable, from analysis of non-traditional sources of health data, regarding threats to the public's health.

CDC Preparedness Goal 6: CONTROL

Decrease the time needed to provide countermeasures and health guidance to those affected by threats to the public's health.

CDC Preparedness Goal 9: IMPROVE

Decrease the time needed to implement recommendations from after-action reports following threats to the public's health.

F. REGULATIONS

This program is governed by the following regulations:

- Public Health Service Act, Section 319C (42 USC 247 d-3)
- 45 CFR Part 92 (Under the Public Welfare section) (Under the Grant

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- requirements for State, Local and Tribal Governments)
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)
 - California Health and Safety Code, Sections 101315 to 101320

G. ABBREVIATIONS IN THIS REPORT

CDC	Centers for Diseases Control and Prevention
CDHS	California Department of Health Services
CDPH	California Department of Public Health
CFR	Code of Federal Regulations
DPA	Department of Personnel Administration
EPO	Emergency Preparedness Office (California Department of Public Health Program Office)
LHD	Local Health Department (San Luis Obispo County Public Health Department)
OMB	U.S. Office of Management and Budget

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III. SCOPE OF AUDIT

The Financial Audits Section's review of the County of San Luis Obispo (herein referred to as the County) was restricted to the Public Health Emergency Preparedness Program.

The audit consisted of the review of the financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement. This review included substantive testing:

- To determine that recorded and reported program funds awarded are expended in accordance with terms of the grant agreement with the CDPH;
- To determine that payments are for actual costs and reflect amounts billed to the State;
- To determine that payments are for services rendered;
- To determine that grant funds did not supplant existing levels of State and local funding for this program.

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IV. GRANT COMPLIANCE

Our report does not include an evaluation of the County's progress toward achieving the CDC Preparedness goals and objectives other than to note that the County submitted the reports required to document their activities related to the grant award. These reports are monitored by EPO or the Federal CDC.

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V. FISCAL FINDINGS

The following is a discussion of the fiscal findings relating to our examination of the County. The details of these amounts are included on Schedules 1 and 1A of this report.

A. FEDERAL CDC GRANT FUNDS

The County requested a total of \$822,485 of federal funds and had expenditures totaling \$539,701. The federal grant award included CDC base funding, Level B Reference Laboratory, as shown in Section VII – Schedules 1 and Schedule 1A.

B. UNEXPENDED CDC GRANT FUNDS

Exhibit B2.C - Budget Detail and Payment Provisions, Accountability Requirements, states "The LHD shall return unexpended funds from Project Period 05-06 unless carry over of such funds is approved by CDHS and CDC."

The agreement requires the County to return unexpended funds. The County had a total of \$282,784 in unexpended funds for fiscal period 2005-2006. The County submitted a carryover budget request on March 23, 2007 to the Program to carry the funds to the 2006-2007 period instead of returning the funds which was approved on August 30, 2007. The request for \$356,065 also included the unexpended funds of \$73,281 from fiscal period 2004-2005 along with a re-distribution of funds among line items.

The carryover funds of \$356,065 to the 2006-2007 period are to be spent on approved items as listed on the County's request for funds carryover. The carryover funds are separate and not part of the next year Emergency Preparedness grant funds awarded. Our review of the carryover expenses disclosed the carryover funds in the amount of \$258,248 remained unexpended at the end of fiscal period 2006-2007. The County documented approval from EPO to carryover the funds to fiscal period 2007-2008. The unexpended funds were treated properly.

C. TRUST FUND

The County did not meet the grant requirement, Exhibit B8 provisions and the Health and Safety Code, Section 101317(f) to deposit the grant funds in a special local public health preparedness trust fund established solely for this purpose before transferring or expending the funds for any of the uses allocated

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for Emergency Preparedness. The County deposited the grant funds in a commingled pool, and allocated interest earnings to the respective funds in the pool. An accounting fund number designated the purpose of these funds to exclusively be used for the Emergency Preparedness Program. The County's methodology for depositing the funds into a commingled pool by designating the funds specifically for the CDC grant does not fulfill requirements of this grant provision.

Recommendation:

The County shall establish a Local Public Health Preparedness Trust Fund to comply with the grant requirements and provide EPO with supporting documentation of compliance with the special trust fund requirement.

D. SUPPLANTING OF FUNDS

The agreement requires that the County not use the CDC funds to supplant existing levels of services in the County. The duty statements of the employees funded by this agreement (which comprises 75% of this agreement's expenditures) were initially reviewed by the EPO in part to determine if supplanting of funds might occur prior to acceptance and approval of the County's agreement application. During the course of our review, we detected situations where funds from this agreement were used to fund other programs.

The review of grant expenditures identified \$1,419 in travel and other expenses for other programs that were charged to the CDC grant. (See Section V.F2 and V. F6).

Recommendation:

The County shall have procedures in place to prevent supplanting of CDC funds to comply with the grant requirements. The funds used to supplant other programs shall be returned to the State. A recovery is proposed for \$1,419 amount due State.

E. SINGLE AUDIT

In accordance with OMB Circular A-133, Non-Federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

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We were provided with the Single Audit Reports for Fiscal Year Ended June 30, 2006, issued by Bartig, Basler & Ray, LLP, whose report was dated October 5, 2006. The independent auditor's opinion was that the County complied, in all material respects, with the requirements to each of the major federal programs for the fiscal year ended June 30, 2006, and noted no matters involving the internal control over compliance and its operations. No exceptions were disclosed in the Single Audit Reports regarding the Public Health Emergency Preparedness Program.

F. EXPENDITURE REVIEW

1) Personnel and Fringe Benefits

- a. Personnel salaries and fringe benefits represented 54% of the total emergency preparedness federal allocation of funds awarded for the 2005-2006 period. The County requested \$300,370 for personnel expenditures and \$141,069 for fringe benefits. The County did not fully expend the personnel and fringe benefits funds awarded.
- b. Personnel expenditures for the 2005-06 period were \$403,595. We reviewed payroll summary records, labor distribution reports and personnel job descriptions noted that salaries and benefits included personnel not approved in the budget agreement. A total of \$12,555 was included for personnel not approved by EPO for which a recovery is proposed for the County not having approval from EPO for deviations from the agreement. The expenses were for the grant period and the fringe benefits costs were based on actual amounts from the payroll records.

Recommendation:

A recovery is proposed for \$12,555 amount due State. The County shall comply with the term of the contract by obtaining prior approval from EPO for any variations from the agreement.

2) Travel Reimbursement Requirements

The total travel budget for 2005-2006 funds awards was \$27,873 or three percent. The total reported travel expenditures for the period were \$16,000. Our review of the travel expenditures disclosed the following discrepancies:

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- a. The County claimed meal, lodging and mileage rates exceeded the DPA maximum rates without prior written approval or exemption from EPO.
- b. Travel expenses totaling \$631 for other programs were charged to the CDC program. (See Section V.D)
- c. Travel expenses totaling \$331 was charged to the CDC program for a lab employee not approved in the CDC budget.

Recommendation:

Exhibit D(F), Section 2 requires that the travel and per diem expenses be the rates currently in effect as established by the California Department of Personnel Administration and that no travel outside the State of California be reimbursed without prior written approval.

All CDC program related travel should be monitored to ensure compliance with program and grant requirements. Written approval and/or waiver should be obtained from EPO for any exceptions to CDC agreement. (See Section V.D)

3) Equipment Expenditures

The total equipment budget for 2005-2006 funds awarded was \$4,396 or one percent. The County expended \$4,396 for equipment during the period in accordance with the budget justification. Our review of equipment expenditures did not disclose any material exceptions.

4) Supplies Expenditures

The total supplies budget for 2005-2006 funds awarded was \$58,606 or seven percent. The County expended \$21,663 for supplies during the period in accordance with the budget justification. Our review of supplies expenditures disclosed that \$661 of CDC lab supplies expenses were grouped with the CDC base supplies. A reclassification is made to correctly state the expenditures for proper cost reporting.

Recommendation:

The expenses should be accurately reported on the proper line item in accordance with the approved budget.

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5) Contractual Expenditures

The County requested \$211,490 or twenty-six percent for contractual expenditures and expended \$31,665 during the 2005-2006 grant period. Our review disclosed that \$8,900 of the expenditures were for the next fiscal periods 2005-2006.

Recommendation:

All CDC program expenses should be monitored to ensure compliance with program and grant requirements. The expenses claimed should only be for the grant period. A recovery is proposed for \$8,900 amount due state for current funds used for the next fiscal period expenditures.

6) Other Expenditures

The County requested \$34,536 or four percent for other expenditures and expended \$22,023 during the 2005-2006 grant period. The review of the expenditures noted that \$457 was charged to the CDC program for non-Bioterrorism employees.

Recommendation:

All CDC program expenses should be monitored to ensure compliance with program and grant requirements. The funds that were used for non-allowable purposes shall be returned to the State. (See Section V.D)

7) Indirect Costs

The indirect costs were over claimed by \$1,255 per the budget justification.

Recommendation:

A recovery is proposed for \$1,255.

Further, based on our examination, nothing came to our attention to indicate that the County has not complied with the material terms and conditions of the grant beyond the findings noted above.

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VI. SYSTEMS AND PROCEDURES

The management of the County of San Luis Obispo is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance the assets are safeguarded against loss, from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We did not review the County of San Luis Obispo's overall internal control structure. We limited our internal control review to the County's procedures to account for emergency preparedness program funds, and the County's preparation of the required filing of the program financial status reports.

Further, the CPA's Comprehensive Audited Financial Report of the County of San Luis Obispo disclosed no material weaknesses related to the overall internal control structure.

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VII. SCHEDULES

Schedules of financial data have been included in this report to summarize the amounts claimed and paid under the grant agreement as presented on Schedule 1 and 1A. The audit adjustments are presented on Schedule 2.

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VIII. CONTRACTOR'S RESPONSE TO AUDIT FINDINGS

The audit findings were discussed with San Luis Obispo County Health Agency staff at an exit held on September 8, 2009. The County's response subsequent to the 30 day review was an email to provide an explanation of why salaries and benefits were claimed for employees not approved in the budget. The County explained that County staff was reassigned to fill Bio-terrorism positions that were vacated by employees approved in the original budget. The County is required to have prior approval from EPO for any variation and/or changes to the approved budget.

No revisions were made to this report as a result of the County's response.

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IX. PROGRAM'S RESPONSE TO AUDIT FINDINGS

A draft copy of this report was submitted to the Emergency Preparedness Office for their review prior to the finalization of the report. No response was received from EPO as of October 13, 2009.

No revisions were made to this report as a result of EPO's response.

SCHEDULE 1

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SUMMARY OF AUDITED PROGRAM EXPENDITURES – CDC GRANT FUNDS

	Budget Category		Audit Adjustment No.	2005/2006 Expenditures		
				As Reported	Audit Adjustments	As Audited
1.	CDC Base					
	Financial Assistance					
	A.	Personnel	2	\$156,760	(\$3,520)	\$153,240
	B.	Fringe	2	\$77,025	(\$1,020)	\$76,005
	C.	Travel	3	\$11,814	(\$631)	\$11,183
	D.	Equipment		\$4,396		\$4,396
	E.	Supplies	1	\$5,053	(\$661)	\$4,392
	F.	Contractual	4	\$29,337	(\$8,900)	\$20,437
	G.	Other	5	\$21,991	(\$457)	\$21,534
		Total Direct FA		\$306,376	(\$15,189)	\$291,187
	H.	Indirect	6	\$23,378	(\$453)	\$22,925
	Total Financial Assistance			\$329,754	(\$15,642)	\$314,112
	I.	Personnel				
	J.	Federal Contract				
	K.	Other				
	Total Direct Assistance			\$0	\$0	\$0
	Grand Total			\$329,754	(\$15,642)	\$314,112
2.	LABS Only					
	Financial Assistance					
	A.	Personnel	2	\$115,919	(\$4,210)	\$111,709
	B.	Fringe	2	\$53,891	(\$3,805)	\$50,086
	C.	Travel	3	\$4,186	(\$331)	\$3,855
	D.	Equipment		\$0		\$0
	E.	Supplies	1	\$16,610	\$661	\$17,271
	F.	Contractual		\$2,328		\$2,328
	G.	Other		\$32		\$32
		Total Direct FA		\$192,966	(\$7,685)	\$185,281

SCHEDULE 1

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	Budget Category		Audit Adjustment No.	2005/2006 Expenditures		
				As Reported	Audit Adjustments	As Audited
	H.	Indirect	6	\$16,981	(\$802)	\$16,179
	Total Financial Assistance			\$209,947	(\$8,487)	\$201,460
	I.	Personnel				
	J.	Federal Contract				
	K.	Other				
	Total Direct Assistance			\$0		\$0
	GRAND TOTAL			\$539,701	(\$24,129)	\$515,572

SCHEDULE 1A

COUNTY OF SAN LUIS OBISPO
HEALTH AGENCY
PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM
CDC FUNDING GRANT AGREEMENT
AUGUST 31, 2005 THROUGH AUGUST 30, 2006

SUMMARY OF PROGRAM EXPENDITURES – CDC GRANT FUNDS

	Budget Category	Base Funding Source	2005-2006 Expenditures	2005-2006 Unspent Funds
1.	CDC Base			
	Financial Assistance			
	A. Personnel	\$161,801	\$156,760	\$5,041
	B. Fringe	\$78,713	\$77,025	\$1,688
	C. Travel	\$13,144	\$11,814	\$1,330
	D. Equipment	\$4,396	\$4,396	\$0
	E. Supplies	\$5,053	\$5,053	\$0
	F. Contractual	\$51,490	\$29,337	\$22,153
	G. Other	\$21,991	\$21,991	\$0
	Total Direct FA	\$336,588	\$306,376	\$30,212
	H. Indirect	\$24,051	\$23,378	\$673
	Total Financial Assistance	\$360,639	\$329,754	\$30,885
	I. Personnel			
	J. Federal Contract			
	K. Other			
	Total Direct Assistance	\$0	\$0	\$0
	Grand Total	\$360,639	\$329,754	\$30,885
2.	LABS Only			
	Financial Assistance			
	A. Personnel	\$138,569	\$115,919	\$22,650
	B. Fringe	\$62,356	\$53,891	8,465
	C. Travel	\$14,729	\$4,186	\$10,543
	D. Equipment	\$0	\$0	\$0
	E. Supplies	\$53,553	\$16,610	\$36,943
	F. Contractual	\$160,000	\$2,328	\$157,672
	G. Other	\$12,546	\$32	\$12,514
	Total Direct FA	\$441,753	\$192,966	\$248,787

SCHEDULE 1A

**COUNTY OF SAN LUIS OBISPO
HEALTH AGENCY
PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM
CDC FUNDING GRANT AGREEMENT
AUGUST 31, 2005 THROUGH AUGUST 30, 2006**

SUMMARY OF PROGRAM EXPENDITURES – CDC GRANT FUNDS

	Budget Category	Base Funding Source	05/06 Expenditures	05/06 Unspent Funds
	H. Indirect	\$20,093	\$16,981	\$3,112
	Total Financial Assistance	\$461,846	\$209,947	\$251,899
	I. Personnel			
	J. Federal Contract			
	K. Other			
	Total Direct Assistance	\$0	\$0	\$0
	Grand Total	\$461,846	\$209,947	\$251,899
	GRAND TOTAL	\$822,485	\$539,701	\$282,784

Contractor Name				Fiscal Period		Contract Number		Adjustments	
COUNTY OF SAN LUIS OBISPO				AUGUST 31, 2005 THROUGH AUGUST 30, 2006		CDC FUNDING GRANT		6	
Report References				Explanation of Audit Adjustments					
Adj. No.	Audit Report	Invoice or Claim		RECLASSIFICATIONS TO REPORTED COSTS					
	Schedule	Line	Column	Line					
1	1	2E	3	2E	CDC Lab - Supplies				
	1	1E	3	1E	CDC Base - Supplies				
					To reclassify CDC lab supplies expenses to the proper line number for proper cost reporting.				
					Public Health Emergency Preparedness Funding Agreement FY 2005-2006				
					Budget Period: August 31, 2005 through August 30, 2006				
					Local Guidance Cooperative Agreement FY 2005-2006				
					Public Health Service Act, Section 319C (42 USC 247 d-3)				
					45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)				
					OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)				
					California Health and Safety Code, Sections 101315 to 101320				
						\$16,610	\$661	\$17,271	
						5,053	(661)	4,392	

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Contractor Name				Fiscal Period		Contract Number		Adjustments	
COUNTY OF SAN LUIS OBISPO				AUGUST 31, 2005 THROUGH AUGUST 30, 2006		CDC FUNDING GRANT		6	
Report References				Explanation of Audit Adjustments					
Adj. No.	Audit Report	Invoice or Claim	Line	Column	Line	ADJUSTMENTS TO REPORTED COSTS			
Schedule	Line					As Reported	Increase (Decrease)	As Adjusted	
2	1	1A	3	1A	CDC Base - Personnel	\$156,760	(\$3,520)	\$153,240	
	1	1B	3	1B	CDC Base -Fringe	77,025	(1,020)	76,005	
	1	2A	3	2A	CDC Lab - Personnel	115,919	(4,210)	111,709	
	1	2B	3	2B	CDC Lab -Fringe	53,891	(3,805)	50,086	
To recover salaries and benefits expenses that were charged to the CDC program without proper approval from Emergency Preparedness Office.									
Public Health Emergency Preparedness Funding Agreement FY 2005-2006									
Budget Period: August 31, 2005 through August 30, 2006									
Local Guidance Cooperative Agreement FY 2005-2006									
Public Health Service Act, Section 319C (42 USC 247 d-3)									
45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)									
OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)									
California Health and Safety Code, Sections 101315 to 101320									
3	1	1C	3	1C	CDC Base -Travel	\$11,814	(\$631)	\$11,183	
	1	2C	3	2C	CDC Lab - Travel	4,186	(331)	3,855	
To recover travel expenses charged to the CDC program for employees of Family Health Services Department and for employees not approved in the budget.									
Public Health Emergency Preparedness Funding Agreement FY 2005-2006									
Budget Period: August 31, 2005 through August 30, 2006									
Local Guidance Cooperative Agreement FY 2005-2006									
Public Health Service Act, Section 319C (42 USC 247 d-3)									
45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)									
OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)									
California Health and Safety Code, Sections 101315 to 101320									

Contractor Name				Fiscal Period		Contract Number		Adjustments		
COUNTY OF SAN LUIS OBISPO				AUGUST 31, 2005 THROUGH AUGUST 30, 2006		CDC FUNDING GRANT		6		
Report References				Explanation of Audit Adjustments						
Adj. No.	Audit Report		Invoice or Claim		Line	Column	Line	As Reported	Increase (Decrease)	As Adjusted
	Schedule	Line								
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
4	1	1F	3	1F	CDC Base - Contractual To recover current year funds that were used for the next fiscal period 2006-2007 expenses. Public Health Emergency Preparedness Funding Agreement FY 2005-2006 Budget Period: August 31, 2005 through August 30, 2006 Local Guidance Cooperative Agreement FY 2005-2006 Public Health Service Act, Section 319C (42 USC 247 d-3) 45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments) OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) California Health and Safety Code, Sections 101315 to 101320					
								\$29,337	(\$8,900)	\$20,437
5	1	1G	3	1G	CDC Base - Other To recover expenses charged to the CDC program for other departments. Public Health Emergency Preparedness Funding Agreement FY 2005-2006 Budget Period: August 31, 2005 through August 30, 2006 Local Guidance Cooperative Agreement FY 2005-2006 Public Health Service Act, Section 319C (42 USC 247 d-3) 45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments) OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) California Health and Safety Code, Sections 101315 to 101320					
								\$21,991	(\$457)	\$21,534

Contractor Name				Fiscal Period		Contract Number		Adjustments		
COUNTY OF SAN LUIS OBISPO				AUGUST 31, 2005 THROUGH AUGUST 30, 2006		CDC FUNDING GRANT		6		
Report References				Explanation of Audit Adjustments						
Adj. No.	Audit Report		Invoice or Claim		ADJUSTMENTS TO REPORTED COSTS					
	Schedule	Line	Column	Line						
6	1	1H	3	1H	CDC Base - Indirect					
	1	2H	3	2H	CDC Lab - Indirect					
					To recover over claimed indirect expenses charged to the CDC Program.					
					Public Health Emergency Preparedness Funding Agreement FY 2005-2006.					
					Budget Period: August 31, 2005 through August 30, 2006					
					Local Guidance Cooperative Agreement FY 2005-2006					
					Public Health Service Act, Section 319C (42 USC 247 d-3)					
					45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)					
					OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)					
					California Health and Safety Code, Sections 101315 to 101320					
							As Reported		As Adjusted	
							\$23,378		\$22,925	
							16,981		16,179	
							(\$453)		(\$453)	
							(802)		(802)	